

DATE: November 17, 2005

SUBJECT: Tennessee Higher Education Commission Audit Committee

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION: Chapter 35 of the Tennessee Code Annotated is the “State of Tennessee Audit Committee Act of 2005”. This act requires a State Government board, council, commission, or equivalent body that has the authority to hire and terminate its employees to create an audit committee.

The act includes provisions for (1) the creation of a standing audit committee; (2) development of a charter; (3) committee membership; (4) committee responsibilities, powers, and duties; (5) establishment of confidential reporting provisions; and (6) notice of meetings.

The State Comptroller's Office is currently developing guidelines to assist in the formulation of such standing committees. It is recommended that the necessary duties and functions to be prescribed by the State Comptroller's Office be included within the responsibility of the existing THEC Ad Hoc Committee consisting of Katie Winchester, Chair; Wendell Gilbert; and Ransom Jones.